



Domestic Market Report

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RETAIL NEWS FROM CFTA'S MARKETING CATALYSTS IN THE UNITED STATES AND CANADA

Period Ending August 8, 2003

Contact: Dave Parker, Director of Merchandising
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CTFA Director of Merchandising

Dave Parker

- Attention prune shippers who are selling domestically: please be sure you sell only California Well Matured to domestic receivers. First "SugarPlums!™" encountered in US retail outlet showed shrivel due to marginal maturity. Let's give first time customers high maturity.
- Five of the Marketing Catalysts will fly into Fresno August 25 for a two-day visit. The purpose of the trip is to see current packing practices and visit with shippers and sales people.
- Held meeting of new Domestic Market Development Subcommittee August 7. Presented current Custom Account Planning Program with plenty of evidence that it's working for the industry's benefit. Committee agreed to reconvene in September and decide what to do next.

Northeast / Eastern Canada

Cece Krumrine

MARKETS VISITED: New England, NY/NJ

ACCOUNTS: A&P; Big Y; Market Basket*; Food Emporium; Giant Eagle*; Hannaford Bros.; Metro, Montreal; Pathmark; Penn Traffic; Price Chopper; Shaw's*; Stop & Shop; Ahold, Tops; Wakefern/Shoprite; Wegman's; Bozzuto's; King Kullen, C&S

*visited this period

MARKET OBSERVATIONS:

- All retailers on ad this period, at least one of the weeks, and most ads are combination. Seeing more plum ads and plumaramas (3 or more varieties).
- Again, retailers tell me it was a tough spring and early summer due to inclement weather. The weather has been beautiful the last few weeks and retailers are seeing sales increases.
- Demos in Canada going very well. Several retailers sent in pictures, stats and consumer comments. The demos,

funded by grants accessed by CTFA, are providing many consumers their very first tastes of white flesh stone fruit! Some of the consumers had never tasted white flesh fruit before! Demonstrators said some of these customers were coming back for more white and yellow flesh fruit.

- **Giant Eagle** brought in some two-pound netted bags of peaches and nectarines for first time. Fruit looked and tasted great! Extra display was set up to showcase them in the stores. Bags were part of promotional program for **Giant Eagle**. **Giant Eagle** pulled in Eastern for first time last year (corp. mandate), but no ads for Eastern this year (except for small tag under huge CA ad). Also, Scott added that they would keep displays full and front "as long as the fruit holds out."
- To date, **Market Basket** has done over 35 ads compared to a total of 13 ads last year! Promotional program was set up for incremental ads since **Market Basket** was less frequent advertiser than competition. Also, **Market Basket** brought in pre-conditioned for first time (never even carried tree ripe before). **Market Basket** put more emphasis on white flesh and will stay longer with the deal this year "as long as fruit eats well". **Market Basket** finished up with CA peaches and nectarines early August last year.
- According to trade publications, **Bozzutos** has acquired some of **Penn Traffic's** independent accounts. However, **Penn Traffic** has received the money they need to continue business through bankruptcy.
- I head to NY/NJ and Montreal in the next two weeks.

Mid-Atlantic

Sheila Carden

MARKETS VISITED: MD, PA, OH

ACCOUNTS: *Acme; DeCA; *Giant-Landover, *Giant-Carlisle, Harris-Teeter; Ingles; *Kroger-Columbus, *Kroger-Louisville, Kroger-Roanoke, *Kroger-Cincinnati, *Weis

*visited this period

MARKET OBSERVATIONS:

- Good news: CTFA efforts to expand promotions and space have been successful with numerous promotions in my territory and nice displays in most stores.
- Focused on measuring display space in stores this period. In stores having internal breakdown problems, display space had been reduced considerably.
- **DeCA** display contest entries are coming in; deadline to receive entries is August 15th.
- All 3 **Genuardi's** visited in PA complained fruit was breaking down internally in one day. They had just complained to **C & S** and hoped to see improvement soon. When shipment arrived at **C & S** they started keeping a box on their desk for 24 hours before shipping the fruit out so they could see the problems the stores were experiencing.
- **Kroger-Columbus** said shrink is very high. One produce manager had thrown away more than 70 lbs. of fruit in the last few days. Asked to cut and taste plum and it was the worst case of internal breakdown I have seen.
- This **Kroger** division has promoted our fruit regularly, but sales were not where they should be. In talking with this produce manager, I realized they had a brand new warehouse, and remembered the Detroit stores had been transferred to Columbus. Will notify Produce Merchandiser at headquarters of problem and offer to go audit new warehouse and schedule protocol training next spring.
- Other stores were experiencing positive sales and comments from customers. One elderly woman came up to the Produce Manager and asked where the CA peaches were. She commented, "I prefer CA peaches to any other peach; there is a big difference in taste."
- Apple display space is still much larger than it should be for summer in most stores.
- Nectarines have had superior taste in my territory all summer according to retailers, customers, friends and family.
- More white flesh displayed and prices lower than ever in almost all stores.
- Grapes are getting a great deal of display space and ads in my territory.

Southeast

Terry Vorhees

MARKETS VISITED: Phoenix & Lakeland FL

ACCOUNTS: Albertson's – Maitland; BiLo; Bruno's; Dillon's; Food Lion; Kash N Karry; Kroger – Atlanta; Publix; Winn-Dixie, Lowe's, Basha's, Albertson's –Phoenix, Fry's

*visited this period

MARKET OBSERVATIONS:

- Trip to Phoenix to measure space in thirteen stores and visit with **Albertson's**, **Basha's** and **Fry's**. The space given to stone fruit was somewhat surprising. I expected more space to be given to stone fruit in Phoenix than in the southeast markets. This proved not to be the case in the majority of stores.
- Store checks reveal beautiful fruit with excellent sizing. In one store check I bought peaches that had two different shippers' PLU stickers. One label had great eating quality while the other was dry, mealy and had little to no juice content.
- One retailer in my territory recently had some employees conduct a blind taste test comparing tree ripe/protocol handled fruit to pre-conditioned. I have also heard of other chains doing tests using traditional fruit in some stores and pre-conditioned in others to compare sales. Private promotion of pre-conditioning has resulted in many questions from retailers, and they are trying to determine which type of product best suits their needs and at the same time delivers the best product to their customers. Not all retailers are arriving at the same answer.

Midwest / Toronto

Jim Hager

MARKETS VISITED: Toronto, Detroit, Chicago

ACCOUNTS: A&P Canada*; Cub; Farmer Jack; Hy-Vee; Jewel; Kroger – Detroit, Indianapolis; Loblaw*; Marsh; Nash-Finch; Meijer; Roundy's; Schnuck's; Sobey's*; Super Target.

*visited this period

MARKET OBSERVATIONS:

- Multi-color plum promotions, at under \$1.00 a pound, are strong now.
- About two-thirds of the stores I have measured are giving us 50 or more square feet of tree fruit display space. Three of these stores had more than 100 sq.ft. devoted to tree fruit.
- **Roundy's**, since taking over **Rainbow** in late June, has featured all California tree fruit four times as the lead item on the front page of its weekly ad. This week it's peaches, plums or nectarines for .79 lb.
- I am finally seeing competing tree fruit ads, although on a limited basis: .77 for South Carolina peaches in Detroit; \$14.77 for a 16 lb. Colorado lug in Minneapolis.
- Colorful "Bite Into Summer" signs, created by CTFA to fit into **Meijer's** sign frames, will be part of August displays. All three fruits are pictured.

South Central

Jeannetta Davis

MARKETS VISITED: Denver, San Antonio

ACCOUNTS: Albertson's – *Denver, Ft. Worth, Brookshire Grocery; Fleming; *HEB; *King Soopers; Kroger – Houston/Dallas, Memphis; Minyard's; Sam's Club; United Supermarkets; Wal*Mart; Whole Foods; *Wild Oats

*visited this period

MARKET OBSERVATIONS:

- **Albertson's, Wild Oats, HEB** all report stone fruit sales are down YTD even through number of ads and in-store specials are about the same. The exception is donut peaches which retailers have promoted and supported with larger displays.
- **King Soopers, Albertson's** and **HEB** all commented that cherry sales have cannibalized stone fruit sales. Cherry prices have been low and quality/quantity great. Now that cherries are about finished all retailers hope to make up the lost sales.
- **HEB** sales contest being put in place next week to motivate stores to increase sales of CA stone fruit. Stores that I measured in San Antonio had large displays with all varieties displayed.
- **HEB** had small displays of SugarPlums! in the stores I visited. No PLU on product is a problem. I purchased about ½ lb. and checker asked if it was okay if she sold them to me for .50 (price was \$2.49 lb).
- Stone Fruit quality the past two weeks has been excellent. Store Observations: Colorado- both CO and CA peaches on sale in **King Soopers** for .99 cents lb. CA looked better than CO, but customers buying mostly from CO display. Loyalty to local fruit is an issue to overcome. Texas: **HEB** store: Beautiful CA peaches \$1.29 lb. beside green tinted SC peaches .76 cents lb. The one customer I observed was interested in price—not quality.
- **Wild Oats** is doing some great ads lately but they have added WA fruit to the mix. They are looking for best price.
- **Wal*Mart** demos are set to go on Aug 16. Each buyer and asst. buyer in DCs has been contacted and asked to make certain that individual stores know about demos so they will have product to sell. Many DCs will have special buy to support demos. One shipper told me they were also going to try and call each store in their DC next week to confirm demo.
- Observed a demo in a **Cub** store in Denver. Two demonstrators, side-by-side, one doing CA nectarines and plums, the other CO peaches. CTFA funded the CA demo and the store funded the CO. Demo was supposed to be white peaches and nectarines, but the store did not have any so other CA items were substituted. Demonstrator had items from CA demo kit displayed and was very aggressively selling our product.

Western U.S. / Western Canada

Matt Ellison

MARKETS VISITED: Southern California, Seattle

ACCOUNTS: Albertson's – Boise, L.A., Portland, San Leandro, Salt Lake City; Costco; Federated Co-op; Fred Meyer; Overwaitea; Raley's; Ralph's; Safeway—all divisions; Save Mart; Stater Bros.; Von's; Winco

*visited this period

MARKET OBSERVATIONS:

- Stores in Southern California have been building some great looking displays. Store managers feel they are having a good season in regards to sales.
- Measured 15 stores in Southern California, calculating how much of the produce department's space is allocated to stone fruit. Overall results compared to last year are positive. Accounts that under-allocated based on the national average will be notified.
- **Overwaitea, Safeway** and **Thrifty Foods** will be utilizing CDFA Grant Funds for Canada by supporting plums with demos in August. Results from the previous demo promotions in Canada for peaches and nectarines have been outstanding.

Market Insight is available online at:

www.caltreefruit.com

Please send any suggestions or comments to :

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To receive this report via email rather than U.S. mail, please send request to :

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Retail Price Report

All prices are per pound unless otherwise noted

Chain	City	Date	Yellow Peaches	Reg	Ad	Yellow Nect.	Reg	Ad	White Peach	Reg	Ad	White Nect.	Reg	Ad	Plum	Reg	Ad	Local Peaches	Reg	Ad	Pluots	Reg	Ad	Comments		
A&P	Paterson	7/27	1.50		X	1.50		X	3.99		X	1.50		X								2.99				
A&P	Paterson	8/6	1.99		X	1.99		X	1.99		X	1.99		X	1.99		X					2.99		X	Also plums at 2lbs/\$3	
Acme	Fairfax, DE	7/28	1.88		X	1.88	X		1.88	X					2.99		X	1.50		X	2.99	X			Ga peaches were spotted	
Albertson's	Fountain Valley, CA	8/9	1.29	X		1.29	X		0.69		X	0.69		X	0.99	X						1.49	X		Hard	
Albertson's	Aurora	7/28	1.99		X	1.99		X	1.99	X		1.99	X		0.69		X	1.69	X		3.99	X				
Albertson's	Fort Worth	7/24	.25 each		X	.25 each		X	1.99	X		1.99	X		0.69		X									
Albertson's FL	Bradenton	7/30	1.99	X		1.99	X		1.99		X	1.99		X	0.99		X	0.99		X						
Albertson's FL	Bradenton																									
Albertson's Phoenix	Phoenix	7/29	1.49		X	1.49		X							0.99		X					1.49		X		
Balls	Kansas City					0.99		X																		
Basha's	Phoenix	7/29	0.99		X	0.99		X	1.29		X	1.29		X	0.99		X					1.49		X	All fruits on feature page included block on "what is a pluot"?	
Basha's	Phoenix	8/6	0.99		X	0.99		X	1.29		X	1.29		X	1.29		X									
Big Y	W. Springfield	7/27	0.92		X	0.92		X	0.97																	
Brookshire	Tyler	7/23	0.69		X	0.69	X								1.39		X									
Carnival	Dallas	7/28				0.39		X																		
Cub	Chicago	8/6	1.49	X		1.49	X		1.99	X		1.89	X		1.49		X					1.99		X		
Cub	Minneapolis	8/3	0.98		X	1.59	X		1.49		X	1.99	X		1.59		X	1.99	X			1.99			Colo.	
Dillon's	Wichita	8/6																				1.59		X		
Dominick's	Chicago	8/7	1.99		X	1.99		X	2.49	X		2.49	X		1.5		X									Large PN
Dominion	Toronto	7/25	1.77		X	1.77		X	2.99	X		2.99	X		1.99		X					2.99		X	Mango/Nec. 5.99; TR PN	
Farmer Jack	Detroit	8/5	1.29	X		1.29	X		1.97	X		1.97			1.29		X	0.77		X		2.97		X	South Carolina; TR Cal. P,PL, N @ 2.47	
Food Basics	Toronto	7/25-8/7				0.67		X																		
Food Emporium	NYC	7/29	1.49		X										1.49		X					2.99				
Food Emporium	NYC	8/6	2.99		X				2.99		X	2.99		X												
Fry's	Phoenix	7/29	1.29		X	1.29		X	2.49	X		2.49	X		1.29		X					1.79		X		
Fry's	Phoenix	8/6	2.49	X		2.49	X		2.49	X		2.49	X		0.99		X					0.99		X		
Genuardi's	Wayne, PA	8/8	2.49	X		2.59	X		5.99	X		2.99	X		0.99		X					3.99		X	Yellow nectarines on add for .99/lb.	
Giant Carlisle	Owens Mill, MD	7/30				1.19		X	1.99		X				1.49		X	1.19		SC		2.99			\$2.99 large TR plums and pluots	
Giant Carlisle	Westchester, PA	7/28	1.99		X	1.99		X	2.49	X		2.49	X		1.99		X	1.59		SC		2.99			TR & organic peach \$1.99 , organic nectarine \$2.49	
Giant Eagle	Pittsburgh	7/28							0.99		X	0.99		X								2.49		X		
Giant Eagle	Pittsburgh	8/4	1.49		X	1.49		X	0.50		X				0.99		X					2.49				
Giant Landover	Wilmington, DE	7/28	1.99	X		1.19	X		3.99	X					1.49		X	1.19		NJ		2.99			\$2.99 large TR plums and pluots	
Hannaford	Nashua	7/29																				0.99		X		
Hannaford	Nashua	8/5																0.69		X		1.99		X	Sidebar story on pluots.	
HEB	Houston	7/24	0.57		X	0.99	X		1.49	X		1.49	X		1.29		X					2.29		X		
Jewel	Chicago	8/7	1.49	X		1.49	X		0.99		X	0.99		X	0.99		X									Green, Red or Black; TR P, N @1.99
Kash N Karry	Tampa	8/6	0.99		X	0.99		X							1.99		X					1.99		X	Advertised with Ripe N Ready Logo	
Kash N Karry	Tampa	7/30													1.49		X									Advertised with Ripe N Ready Logo
King Kullen	Long Island	7/27													1.99											
King Kullen	Long Island	8/6	1.99		X	1.99		X										0.49								NJ
King Soopers	Denver	7/28	0.99		X	1.49	X		1.99	X		1.99	X		1.99		X	0.99		X		3.99		X		
Kroger	Detroit	8/6	0.99		X	0.99		X	1.99	X		1.99	X		0.99		X					1.99		X		
Kroger	Houston	7/27	1.99	X		0.99		X	1.99	X		0.99		X	0.99		X					2.69		X		

